GOVERNMENT OF INDIA
OVERSEAS INDIAN AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1145
ANSWERED ON:30.11.2005
EASING OF INVESTMENT NORMS FOR NRIS
Rao Shri Kavuru Samba Siva;Sugavanam Shri E.G.

Will the Minister of OVERSEAS INDIAN AFFAIRS be pleased to state:

(a) whether more and more NRIs are willing to return from UK and other developed countries to start their own business in India;

(b) if so, the details thereof;

(c) the facilities currently available to encourage the skilled and professional NRIs to set up ventures of their choice in different sectors of Indian economy;

(d) whether the Government proposes to formulate a policy to facilitate and encourage their return to India in order to set up business and other ventures;

(e) if so, whether the Government has eased investment norms in respect of NRIs;

(f) if so, the details thereof; and

(g) the benefits likely to be accrued to the country and to the NRIs as a result of this action ?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN MINISTRY OF OVERSEAS INDIAN AFFAIRS (SHRI OSCAR FERNANDES)

(a) No.

(b) Does not apply.

(c,d,e & f) Government has put in place a liberal and transparent FDI policy (which includes investment by NRIs) under which FDI upto 100% is allowed under the automatic route in most sectors. Proposals requiring prior approval are considered by the Foreign Investment Promotion Board (FIPB) in a time bound manner. Activities under the automatic route do not require any prior Government approval and the investor is only required to report to the Office of RBI within 30 days of inward remittance and/or issue of shares to non-residents.

Under the FDI Scheme, the additional facilities available to NRIs including investment in the housing and real estate sector and investment upto 100% in the air transport sector as against the permissible limit of FDI at 49% in the Civil Aviation sector.

(g) Both are benefiting in terms of norms investment, closeness with the home country & good returns for NRIs.